



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

JULY.

1899.

ANNALS
OF THE
AMERICAN ACADEMY
OF
POLITICAL AND SOCIAL SCIENCE.

ECONOMIC ASPECTS OF CHARITY ORGANI-
ZATION.

As an introduction to a study of the economic bearing of Charity Organization it is necessary first to review briefly its principles and methods. Charity organization societies are not associations for the purpose of giving relief. They are formed principally for the purpose of bringing the existing relief societies and churches of a city into co-operation. In their best forms they are federations composed of delegates from the different charitable societies and churches. Less than one hundred cities in the United States have such federations. The main purposes of the charity organization societies have been summed up as follows:

The first is to bring the philanthropic forces of a city to work together instead of at cross purposes.

The second is to secure complete knowledge of persons who are unfortunate and need aid, by means of an examination of conditions wherever want is reported, and by registering useful facts concerning the families aided.

The third is to bring the well-to-do and the poor to a mutual understanding by means of friendly visitors, limiting

the work of each visitor to one or two families so that interest and enthusiasm are not lost.

(1) *Co-operation*.—This is simply applying to the work of charity a principle which is becoming more and more dominant in the industrial world. Co-operation in charity protects the co-operating agencies from being imposed upon. But more important than that, it aids them in finding out cases of distress and in bringing to bear the particular agency which is needed to relieve it. To prevent the overlapping of relief, the charity organization society opens a central office, to which all co-operating agencies report the names of persons whom they aid, and this information is recorded and is at the service of any society or person giving alms. Through the registration bureau of the New York Charity Organization Society 531 co-operating societies and churches exchange information.

(2) *Adequate knowledge*.—This also distinguishes charity organization from other methods. The careful investigation into the circumstances of those in need is condemned by the opponents of charity organization because it is sometimes humiliating to the unfortunate. But a knowledge of the circumstances is necessary both to detect frauds and to determine what kind of aid is needed. Often the thing which the poor think they need would be harmful to them, while a kindly investigation will reveal some other way in which they can be permanently helped. As a matter of fact most relief societies find it necessary to investigate before granting relief. The advantage of the charity organization society in this respect is that the work is done more thoroughly and systematically, by an expert, and there is no need of repeating the investigation, because the information gained is at the service of all societies and persons co-operating with it.

(3) *Personal service*.—This is perhaps the most vital force in charity organization. Of course the practice of visiting among the poor is not a distinctive mark of charity organi-

zation. It is practiced more or less by kind-hearted people in connection with most relief societies and churches, and by many others independent of any organization. It is an outcome of the emotion of pity for the weaker members of society which is the motive of all charity. The attitude of those who are inclined to ridicule this branch of the charity organization movement is therefore untenable, because people will and must continue to express their sympathy in this manner. The thing which distinguishes charity organization is simply the substitution of a helpful form of visiting for a harmful one. The common fault with ordinary visiting by the well-to-do among the poor is that they go as alms-givers. The poor are discouraged from making the best of things because it diminishes their chances of obtaining alms. The friendly visitors of the charity organization society are not allowed to give alms. They go not only to give good advice and to instruct but to carry something of the higher life to those whose advantages are less. It is no indication that friendly visiting is a failure that the visitor may not be able to instruct in practical matters of life. The contact of rich and poor, not in the position of patron and dependent, but as friends, is of mutual benefit. It tends to remove ill feeling between the classes, encourages and uplifts the poor and broadens the sympathies of the rich.

In addition to these three main characteristics of the charity organization society, there are other principles of its work which should be mentioned.

(1) It works on the principle of helping the poor to help themselves, establishing employment bureaus and trying to find work for those who are in need and claim to be looking for work. When this does not suffice it opens labor yards for men and work rooms for women and always offers employment at low wages to those who are able to work and apparently needing aid. This acts as a test. If the applicants are really in need they have an opportunity to get help and not feel that they are paupers, because they earn what they

get. If they will not accept work it proves that they are not in serious need.

(2) The charity organization, when it gives material relief, tries to find the cause of need and remove it. Aid is granted, not primarily to relieve suffering, but with a view to placing the recipient in a condition where he will be able to help himself.

(3) Charity organization workers aim to divert the ethical impulses of charity into other and more helpful lines than that of almsgiving. The crude form in which the sentiment of sympathy for the poor expresses itself is that of direct material relief. It is unfortunately true that with the majority of people the word charity is used synonymously with almsgiving. This is a short-sighted view. Charity is the disposition to diminish the sum total of human suffering, but almsgiving, even when carefully administered, often engenders more suffering in the long run than it relieves. The charity organization societies do find it necessary to give alms but they seek to educate the givers to a higher form of charity. They attack pauperism at the roots by preventing children from growing up as paupers and by bringing personal influences to bear on the improvement of the character of the poor.

(4) The charity organization society encourages personal charity. When relief is necessary the society prefers that it should come directly from the benefactor to the person needing aid, but with the supervision and advice of the central association. This is only an ideal to which the best societies aim to make their work conform. At present a majority of the societies are obliged to get most of the money needed for relief purposes from associations organized for that purpose.

(5) Charity organization teaches that indiscriminate alms giving is something worse than a waste of money. It is a wrong to the person who receives the alms and a wrong to society. Therefore the charity organization society advises

every one to refuse all applicants and send them to the association office for investigation, unless the person applied to can give the time for a careful hearing of the needs of the case and for a personal visit. The common saying, that it is better to give to nine unworthy applicants than to refuse a tenth deserving one, is altogether at fault, because it overlooks the indirect harm which comes from wrong giving.

(6) Charity organization workers both in England and America are generally opposed to public outdoor relief, *i. e.*, the relief of the poor from public funds outside of institutions. This is probably the largest item of expenditure for relief and the most wasteful. Public outdoor relief is condemned because: (1) It tends to increase the number of applicants, as it is less disgraceful than indoor relief; (2) It requires an amount of discrimination between cases that is practically impossible where the work is done by public officials; (3) It has a tendency to corrupt politics; (4) Outdoor relief given lavishly has resulted in lowering wages.

The experience of several American cities which have entirely abolished public outdoor relief shows that the amount of suffering and the demands on private charities and charitable institutions were less after the abolition of this outdoor relief. In Brooklyn the average amount spent for public outdoor relief from 1872 to 1877 was \$114,000. In 1878 the charity organization society was organized and it was decided to abolish outdoor relief. As to the result Seth Low, at that time mayor of Brooklyn, says in his report to the National Conference of Charities: "Many anticipated great and unusual suffering among the poor by consequence. The testimony of private relief associations, and of many who give much time personally to visiting among the poor, is all to the same effect. The poor have suffered less this winter in Brooklyn than either last year or the year before. The saving in the interests of morality cannot be expressed in money."

Philadelphia in 1879 had a similar experience. The

amount distributed in outdoor relief in 1875 and also in 1876 was \$82,000 and in 1879 \$66,000. The supply of public relief was cut off after a charity organization society had been organized in 1878. The secretary reports that "While there was for a time a somewhat greater pressure upon private relieving agencies, the pressure soon passed away, and the demand for relief was not greater than it had been, while the population of the almshouse decreased, even in the face of the increasing population of the city." Mr. Amos G. Warner, from whose book on "American Charities," these quotations are taken, concludes as follows: "As administered in the United States, it is found apparently, that outdoor relief educates more people for the almshouse than it keeps out of it, and that therefore it is neither economical nor kindly" (p. 171).

The foregoing description of charity organization principles and methods will serve as an introduction to a study of the teaching of economic science in regard to charity. In studying the economic justification of charity organization we must include the whole system of private charities, since the charity organization society would be nothing without the other organizations which co-operate with it. The questions, then, which we have to ask are these: (1) What does economic science teach as to the justification of private charities in general? (2) What does economic science teach as to the charity organization method of private charities?

If we go back to the early English economists we find that the postulates of the writers of the classical school took no account of altruistic motives in economic life, so there was at the first a conflict between economists and philanthropists. The reform of the English poor law in 1834 was advocated by the economists and opposed by the philanthropists. In the course of its development, however, political economy has been compelled to take into account the altruistic as well as the egoistic motives as the basis of its philosophy,

while charity has ceased to be wholly a matter of impulse, and has come to take into consideration the remote as well as the immediate consequences of its acts.

The first of the classical economists to treat extensively the problem of pauperism and its relief was Malthus. The prominence which has been given to his name in connection with the theory of population, and his logical application of that theory in advocating the abolition of poor law relief, has given him an undeserved reputation for hardness and lack of benevolence. His notion of the relation of the theory of population to the problem of pauperism is shown by the following abstract:

In all societies the sexual instinct is so strong that there is a constant effort towards an increase of population. This effort as constantly tends to subject the lower classes of society to distress and to prevent any great permanent amelioration of their condition.

Where the positive check to population is not found repressing an increase already begun, by starvation and disease, it is because the preventive or prudential check has been exercised by the people. This sentiment operates in some degree through all the ranks of society in England. Even the lower classes have a love of independence and a fear of letting their families sink in the scale of comfort. The poor law of England is a system of all others the most calculated gradually to weaken this sentiment. The poor laws tend to depress the general conditions of the poor by tending to increase population without increasing food, and by diminishing the share of the industrious.

In the *Essay on The Principles of Population*, book 4, chapter 3, "Of the only Effectual mode of improving the Condition of the Poor," he seems to affirm that the only way in which the poor can be permanently helped is by limiting population, and that to enforce this limitation nothing should be done which will relieve those who bring children into the world, from the responsibility of supporting them.

It would be, however, entirely wrong to suppose that Malthus found no proper place for the exercise of charity. On the contrary, he had a very high conception of it.

and a great deal which he has written in the chapter on "The Direction of Our Charity" might be taken as a guide for charity organization societies to-day. In this chapter he undertakes to show how to direct our private charity so as not to interfere with the great object in view, of ameliorating the condition of the lower classes. He takes into consideration the natural universal impulse to charity, assumes that it is good, and undertakes to show how it is to be guided by reason so as not to defeat its own purposes. He says: "One of the most valuable parts of charity is its effect upon the giver. It is more blessed to give than to receive. Supposing it to be allowed that the exercise of our benevolence in acts of charity is not, upon the whole, really beneficial to the poor; yet we could never sanction any endeavour to extinguish an impulse, the proper gratification of which has so evident a tendency to purify and exalt the human mind. But it is particularly satisfactory and pleasing to find that the mode of exercising our charity, which, when brought to the test of utility, will appear to be most beneficial to the poor, is precisely that which will have the best and most improving effect on the mind of the donor.

The quality of charity, like that of mercy,

"is not strained ;
It droppeth as the gentle rain from heaven
Upon the earth beneath. "

After describing the bad effects of the distribution of public relief by the poor law, he says: "But it is far otherwise with that voluntary and active charity, which makes itself acquainted with the objects which it relieves; which seems to feel, and to be proud of the bond that unites the rich with the poor; which enters into their houses, informs itself not only of their wants, but of their habits and dispositions; checks the hopes of clamorous and obtrusive poverty, with no other recommendation but rage; and encourages, with

adequate relief, the silent and retiring sufferer laboring under unmerited difficulties."

In spite of all the hard things that have been said about Malthus, when we judge from what he says himself we can not help thinking that he was a man of charitable impulses, and might have made a good friendly visitor of the charity organization society if there had been any in his day.

We quote from another of the classical economists, John Stuart Mill. In book 5, chapter 11, he says: " Apart from any metaphysical considerations respecting the foundation of morals or of the social union, it will be admitted to be right that human beings should help one another; and the more so, in proportion to the urgency of the need; and none needs help so urgently as one who is starving. The claim to help, therefore, created by destitution is one of the strongest which can exist; and there is *prima facie* the amplest reason for making the relief of so extreme an exigency as certain to those who require it, as by any arrangements of society it can be made.

"On the other hand, in all cases of helping, there are two sets of consequences to be considered; the consequences of the assistance itself, and the consequences of relying on the assistance. The former are generally beneficial, but the latter for the most part injurious; so much so in many cases as greatly to outweigh the value of the benefit."

After describing the evils of *depending* on relief, he says: " Energy and self-dependence are, however, liable to be impaired by the absence of help, as well as by its excess. It is even more fatal to exertion to have no hope of succeeding by it, than to be assured of succeeding without it."

He then lays down the limitations of what he considers a proper system of public relief, and concludes as follows: " Subject to these conditions, I conceive it to be highly desirable that the certainty of subsistence should be held out by law to the destitute able-bodied, rather than that their relief should depend on voluntary charity. In the first place

[private] charity almost always does too much or too little. It lavishes its bounty in one place and leaves people to starve in another. Secondly, since the state must necessarily provide subsistence for the criminal poor while undergoing punishment, not to do the same for the poor who have not offended is to give a premium on crime. And lastly, if the poor are left to individual charity a vast amount of mendicity is inevitable."

Mill justified charitable relief on economic grounds, but he would confine it to narrow limits, and he, contrary to Malthus, favored state relief in preference to private charity. The cause of this difference of opinions lies largely in the different conditions of the times in which the two men wrote. Malthus wrote a few years before the reform of the English poor law, when the results of public outdoor relief were probably seen at the worst that they have ever been in any country. It was natural that he should oppose that system. Mill wrote a few years after the repeal of the poor law when the good results of the reform by comparison with previous conditions gave great promise of permanent benefit from a well-administered public relief system. On the other hand private relief in those days was unorganized and pauperizing. Mill's reasons for condemning private charity were, that it gave too much in some places and too little in others, and that where the poor were left to individual charity a vast amount of mendicity was inevitable. To-day with our well-organized private charities and badly administered public relief system these same arguments would justify private charity in preference to public outdoor relief.

The opinions which we have quoted from the classical economists are more liberal than the average. The economists of that time were opposed on general principles to anything which softened down the effects of free competition, and there was a conflict between the economists and the philanthropists. To-day, however, with a broader

political economy and a more scientific charity, we find the economists and philanthropists in the same camp. This is shown by several facts. At the National Conference of Charities and Corrections there are always now addresses by specialists in economic science, and the proceedings of that body are very largely a study of the means of applying the teachings of economics to the problem of pauperism. Again, the leading universities are all introducing courses of instruction in pauperism and practical sociology. More and more men trained in economic science are entering the field of practical charities.

The climax of this process of development is seen when we find that some of the economists have actually exchanged places with the philanthropists, and that they are now carrying on a debate similar to that which raged in the early part of the century, except that now their positions are reversed. This is the case to some extent in England, where such an able economist as Alfred Marshall has been advocating an extension of poor law relief, and has been opposed by Mr. C. S. Loch, the general secretary of the London Charity Organization Society, and Mr. Bernard Bosanquet.* Mr. John Hobson, the author of the "Evolution of Modern Capitalism," has made a violent attack on a book written by C. S. Loch, Mr. Bosanquet and other charity organization workers (*Contemporary Review*, Nov., 1896). The gist of his attack seems to be merely to raise the question why there is any more danger in the receipt, by the poor, of outdoor relief which they have not earned, than there is in the receipt of the unearned increment by the rich in the form of rent, interest, or monopoly profits. In regard to these two attacks by the economists on charity organization, we can only say that they do not attack the methods of charity organization. They seem to oppose a *theory* of the charity organization regarding the matter of outdoor relief. Professor Marshall suggests as some reasons why in England

* See "Economic Journal," 1892.

an extension of public outdoor relief would not result in the same abuses as under the old poor law: (1) That we have a much more intelligent and well-supervised system of poor law relief than at the beginning of the century; (2) That the per capita wealth of the country has greatly increased; (3) That we have now a carefully organized system of private charities, which would co-operate with the public relief department. The demand for more liberal public relief on the part of some of the economists in England seems to come from the feeling that in the midst of rapidly increasing wealth the laboring classes are failing to get their share of the increase. There is no doubt that the evils of pauperism are much worse in England than in this country. In this country sympathy with the working classes does not take the form of a demand for outdoor relief. Here economists and philanthropists are united in opposing public outdoor relief, and the economists are unanimous in their approval of charity organization.

A different view from any which we have presented is that of Herbert Spencer. This writer, the greatest modern advocate of individualism and *laissez faire*, consistently with his theory of non-interference, argues that the relief of the poor from public funds is unethical.

He goes farther and affirms that all organized voluntary charity, though less objectionable than compulsory relief, is yet objectionable and in some ways even more so.

His main objections to this form of charity are that it is indiscriminate, overlapping, wasted on improper persons, makes its recipients dependent on charity, and is lacking in the personal element ("Principles of Ethics," Part 6, Chapter on Relief of the Poor).

Now, all of these objections apply principally to the work of relief societies and churches which do not form charity organization societies or co-operate. He is also opposed to charitable institutions such as hospitals, asylums, etc.

The only kind of charity which he advocates is personal

giving to those with whom one is brought by his daily activities into immediate contact, who by illness or loss of work, by death or by other calamity, are severally liable to fall into a state calling for aid. There should be recognized a claim possessed by each member of this particular cluster (p. 390).

Now this kind of charity is the very best so far as it goes, but it would not reach the masses of those who need help because the rich and poor do not come in contact in modern cities to any great extent. Every agent of a charity organization knows that it is impossible to make many people feel their responsibility to aid those who are in any way connected with them, to say nothing about getting personal attention for the poor who have no such claim. On the other hand under the system of individual help without a supervising agency, the evils of indiscriminate almsgiving for which Mr. Spencer condemns the relief societies would be at their worst.

After this halting advocacy of private beneficence it is interesting to read Mr. Spencer's ideas of charity in relation to the law of the survival of the fittest. He says (p. 393): "Whether assistance is given through state machinery, or by charitable societies, or privately, it is difficult to see how it can be restricted in such a manner as to prevent the inferior from begetting more of the inferior.

" If left to operate in all its sternness, the principle of the survival of the fittest, which, as ethically considered, we have seen to imply that each individual shall be left to experience the effects of his own nature and consequent conduct, would quickly clear away the degraded. But it is impracticable with our present sentiments to let it operate in all its sternness."

I understand from this and the context that Mr. Spencer believed that the indulgence of the *sentiments of charity always interferes with material progress*. In this connection it may be of interest to consider a similar view of the

justification of charity which has been set forth by Mr. Alexander Johnson, of Indiana. Mr. Johnson has been for years engaged in charitable work, having been at the head of the organized charities of Cincinnati and Chicago, the State Board of Charities of Indiana and president of the National Conference of Charities. In view of this fact it is rather surprising that he takes the view that there is no justification for charity on the grounds of physical and material prosperity. He takes up almost every kind of charity and shows how it is "directly contrary to that method of nature by which the races of mankind have progressed from savagery to civilization."* The chief function of charity, he says, is to secure the survival of the unfit. His indictment of charities on economic grounds is especially strong, coming from one who has had such good opportunities to witness the effects of charity.

The answer to this indictment he finds in the ethical basis of charity which I can best present in his own words:

"Material progress and physical and intellectual advancement are not the whole of human progress. To struggle successfully, to rise by stepping upon the bodies of our weaker brethren and survive at their expense, is not, at our present stage of development, the way to the progress of mankind. . . . The real progress of the race is to be promoted by the cultivation of our emotional and æsthetic nature. Care for others and for all, or *altruism*, must replace *egoism*, the selfish care of self, as our guiding motive. That this may come we need the cultivation of our finest sensibilities, and the practice of charity at its best offers us the greatest opportunity for this cultivation. Charity promotes the survival of the unfit, and so hinders material progress. But the selfishness and cruelty, which, if charity were abolished, would replace the sentiments which now promote charity, would be of infinitely more evil effect in hindering the development of our higher nature."

* The Ethical Basis of Charity (pamphlet).

This seems to be justifying charity on the grounds of the effects it has on the giver and through him on society, regardless, or in spite of, the effects on the recipient.

The criticism on these views and the lessons to be drawn from them may be summed up in four propositions with which we will close this paper.

In the first place, charity in the ordinary sense of active sympathy for the poor does not differ essentially from other forms of altruism. We can classify the forms of altruism enumerated by Herbert Spencer in his principles of ethics as follows. We have at the bottom simple justice which society makes compulsory to prevent the stronger competitors from destroying the weaker ones. Next above that comes what he calls negative beneficence, which is characterized by passivity in deed or word at times when egoistic advantage or pleasure might be gained by action. On a higher plane still is positive beneficence, which includes: (1) beneficence of the different members of the family to each other; (2) beneficence toward the sick or injured or those in special danger; (3) pecuniary aid to relatives and friends; (4) the relief of the poor as such.

Now these different forms of altruism differ in degree but not in kind. They are all the products of evolution and promote human progress. Mr. Johnson's position is that the sentiment of altruism is good for the human race but the practice of it in the form of relief of the poor hinders material progress. But how could the sentiment of altruism have been evolved or transmitted in the evolutionary process if the *practice* of it had been a hindrance to material progress? And does the theory of the survival of the fittest offer any arguments against a good system of poor relief which would not apply equally against all the other manifestations of altruism?

The second proposition is: That charity which is economically detrimental is also ethically wrong. By an act of charity which is economically unjustifiable is meant an act

which will directly and indirectly diminish the sum of human enjoyments. If it does this it has no ethical basis. Take the case of giving personal outdoor relief to the unemployed. Suppose that the indirect result of this is to lower wages and to diminish prudence on the part of the recipients, and so cause more suffering indirectly than was relieved. It might be said that the person who gave relief was not justified on economic grounds, but was ethically justified because he followed the sentiment of sympathy, which is a good thing in itself; but *would* it be a true sympathy which would take into consideration only the immediate consequences of its action? Sympathy, to have any ethical claim, must take into account the indirect suffering which it causes.

The third proposition is the converse of the last, viz.: any charity which is ethical is also economic. This might have been denied by the classical economists because they tried to separate the field of economics from that of ethics. They tried to confine themselves to the discussion of the production and distribution of wealth, but there has always been a vague feeling that wealth and human welfare were identical, and no one has ever succeeded in defining wealth in such a way as to clearly separate economics from ethics. Modern economists have given up trying to restrict economics to a discussion of wealth, and ethical considerations are taken into account. So in our economic estimate of charity we are to take into account the ethical value of the sentiment which prompts to charity. If any act of charity is demanded by a true and intelligent sympathy, it is economically justified, whatever may be the results on the material progress of the race. As an illustration of what is meant, take the case of children in the asylums for the feeble-minded. It is sometimes urged, on economic grounds, that the best thing that could be done with many of these hopeless cases would be to put an end to their useless lives. If economics only took account of material wealth it would justify the view, but when we have a science of economics which takes account

of intellectual and moral as well as material well-being, and when we consider the violence which such a course would do to our sense of the sacredness of human life, we can find no justification for such a proposal either in economics or ethics.

Fourthly: The sentiment which is the motive of charity is a good thing in itself and has an economic basis; but the form in which that sentiment may properly express itself is not the same at all times. As our knowledge of the effects of different forms of charity increases, it becomes more necessary that we consider the remote as well as the immediate effects of our giving, in order that it may be justified on the grounds of sentiment. In the middle ages when the evil results of indiscriminate almsgiving were not seen, those who gave indiscriminately, if they gave in response to the feelings of sympathy, were ethically justified, because they thus preserved and added to the fund of altruism which has made the Aryan race superior to all others. But nowadays when there is no excuse for being ignorant of the economic bearing of charity, if one indulges in indiscriminate almsgiving it must be due to inexcusable carelessness or indolence, and can claim no justification on the ground of fostering altruism, because the person knows, or ought to know, that he is causing more suffering indirectly than he relieves.

As time goes on we do not know what new forms charity will take and how much of what is at present included under that head will be recognized as unethical. At the present time the principles and methods of charity organization are the best guide which we can find. Charity organization tries to stimulate and use the emotional element, which is the motive of charity, and to modify and direct it with the results of science. So long as it does this it will have an economic and ethical basis.

C. E. PREVEY.